

BOOK POST
Printed Matter
UNDER POSTAL CERTIFICATE

If undelivered please return to:
CHASHMA SUGAR MILLS LIMITED
KING'S ARCADE, 20-A, MARKAZ F-7,
ISLAMABAD - PAKISTAN
TEL: 051-2650805-7



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2020**

CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Abdul Qadar Khattak	Director
Mr. Sher Ali Jafar Khan	Independent Director
Mr. Feisal Kemal Khan	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. A.F Ferguson & Co.
Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Tariq Mehmood Khokhar
Barrister-at-Law, Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

Bank Al-Habib Limited	Habib Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Soneri Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Allied Bank Limited
Habib Metropolitan Bank Limited	Samba Bank Limited

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REVIEW REPORT

The Directors of Chashma Sugar Mills Limited are pleased to present the un-audited condensed interim financial information of the Company for the three month period ended December 31, 2020 to the shareholders of the Company in compliance with Section 237 of the Companies Act, 2017 (the Act) and the rule book of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2020-21 commenced on November 15, 2020. The mills have crushed 1,434,789.635 tons of sugarcane and have produced 140,610 tons of sugar till February 22, 2021. The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed sugar cane price @ Rs. 200/- per maund. However, due to failure of the Khyber Pakhtunkhwa Government to control the middleman sugarcane purchases, the rates of sugarcane increased exorbitantly to the level of Rs. 300 per maund.

SUGAR PRICES

The sugar prices are stable since the start of crushing season and we expect further improvement.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 8,767 MT of Ethanol during the first Quarter ended December 31, 2020.

FINANCIAL PERFORMANCE

The Company earned Rs. 44.482 million profit after taxation (2019: 241.843 million) during the first quarter ended December 31, 2020.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this quarterly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the good work done by the Company's staff at all levels.

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)
Director



(AZIZ SARFARAZ KHAN)
Chief Executive

Islamabad
February 26, 2021

چشمہ شوگر ملز لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

چشمہ شوگر ملز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2020 کو پہلی سہ ماہی کے اختتام پر ہونے پر کمپنی کی غیر آڈٹ شدہ کنڈنڈ انٹیرم مالیاتی معلومات حصص داروں کو کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کے قواعد کے مطابق مالیاتی گوشوارے، پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

گنے کا کرشنگ سیزن 2020-21 کا آغاز 15 نومبر 2020 کو شروع ہوا۔ 22 فروری 2020 تک ملز نے 1,434,789.635 ٹن گنے کو کرش کرتے ہوئے 140,610 چینی کی پیداوار کی۔ پنجاب اور خیبر پختون خواہ کی صوبائی حکومتوں کے گنے کی قیمت 200 روپے فی من مقرر کی ہے۔ تاہم خیبر پختون خواہ حکومت ڈل مین کی شمولیت کے کردار کو ختم کرنے میں ناکام رہی جس سے گنے کے فی من ریٹ کو 300 فی من تک پہنچا دیا۔

چینی کی قیمت

کرشنگ سیزن کے آغاز سے چینی کی قیمت مستحکم رہی ہے اور اس میں مزید بہتری کی توقع کرتے ہیں۔

دہتھانول فیول پلانٹ یونٹ نمبر II

دہتھانول فیول پلانٹ نے پہلی سہ ماہی 31 دسمبر 2020 کے دوران 8,767 MT دہتھانول کی پیداوار کی۔

مالیاتی کارکردگی

پہلی سہ ماہی 31 دسمبر 2020 کے اختتام تک کمپنی کا منافع بعد از ٹیکس 44.482 ملین روپے رہا (2019 میں منافع بعد از ٹیکس 241.843 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سہ ماہی کنڈنڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنائی گئی تھیں۔

اعتراف

ڈائریکٹرز نے کمپنی کے عملے کی طرف سے کیے گئے ہر سطح پر اچھے کاموں کو سراہتے ہیں۔

منجانب بورڈ

عزیز سر فراز خان
چیف ایگزیکٹو

اسلام آباد:

بتاریخ: 26 فروری 2021

اسکندر محمد خان
ڈائریکٹر

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Note	Un-audited December 31, 2020	Audited September 30, 2020
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	10,021,512	9,892,348
Right-of-use assets	6	393,409	395,099
Long term investment	7	136,419	139,154
Long term deposits and other receivables	8	78,665	75,904
		10,630,005	10,502,505
CURRENT ASSETS			
Stores and spares		454,721	502,275
Stock-in-trade	9	3,768,099	1,241,999
Trade debts	10	82,220	143,049
Loans and advances	11	1,931,089	1,619,493
Trade deposits and other receivables	12	324,653	311,098
Income tax refundable		291,277	287,685
Cash and bank balances		850,370	281,856
		7,702,429	4,387,455
TOTAL ASSETS		18,332,434	14,889,960
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	13	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		2,975,706	2,853,561
		3,589,626	3,467,481
Surplus on revaluation of property, plant and equipment		4,145,380	4,223,043
Shareholders' equity		7,735,006	7,690,524
NON-CURRENT LIABILITIES			
Long term finances - secured	14	1,462,029	1,362,318
Loans from related parties - secured	15	181,825	194,325
Lease liabilities	16	278,211	278,846
Deferred liabilities	17	1,358,296	1,341,555
		3,280,361	3,177,044
CURRENT LIABILITIES			
Trade and other payables	18	1,825,940	942,856
Unclaimed dividend		10,539	10,539
Short term running finance	19	4,823,833	2,419,737
Current maturity of non-current liabilities	20	656,755	649,260
Provision for taxation - net		0	0
		7,317,067	4,022,392
		10,597,428	7,199,436
Contingencies and commitments	21		
TOTAL EQUITY AND LIABILITIES		18,332,434	14,889,960

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Note	Three month period ended	
		December 31, 2020	December 31, 2019
----- Rupees in thousand -----			
Gross sales	22	2,694,164	2,762,810
Sales tax, other government levies and discounts	23	(226,977)	(323,755)
Sales - net		2,467,187	2,439,055
Cost of sales		(2,009,854)	(1,751,016)
Gross profit		457,333	688,039
Selling and distribution expenses		(124,623)	(132,797)
Administrative and general expenses		(148,180)	(140,168)
Other income		27,880	8,815
Other expenses		(20,387)	(17,240)
Operating profit		192,023	406,649
Finance cost		(118,838)	(161,612)
Profit before taxation		73,185	245,037
Taxation			
- Current		(11,718)	(29,450)
- Deferred		(16,985)	26,256
		(28,703)	(3,194)
Profit for the period		44,482	241,843
Earnings per share - basic and diluted (Rs)		1.55	8.43

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Three month period ended	
	December 31, 2020	December 31, 2019
	----- Rupees in thousand -----	
Profit for the period	44,482	241,843
Other comprehensive income / (loss)	0	0
	44,482	241,843
Total comprehensive income for the period		

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Three month period ended	
	December 31, 2020	December 31, 2019
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation	73,185	245,037
Adjustments for non-cash items:		
Depreciation	228,702	199,983
Loss / (gain) on sale of operating fixed assets	15,032	(722)
Finance cost	118,234	160,635
	435,153	604,933
Changes in working capital		
Decrease / (Increase) in		
stores and spares	47,554	(54,463)
stock-in-trade	(2,526,100)	(1,432,671)
trade debts	60,829	(57,100)
loans and advances	(311,596)	(808,334)
trade deposits, prepayments and other receivables	(13,555)	9,131
Increase in trade and other payables	883,090	1,078,905
	(1,859,778)	(1,264,532)
	(1,424,625)	(659,599)
Income tax paid	(15,310)	(34,550)
Gratuity paid	(250)	(288)
	(1,440,185)	(694,437)
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(372,063)	(86,141)
Sale proceeds of operating fixed assets	855	3,301
Long term investment	2,735	0
long term security deposits & other receivables	(2,761)	0
	(371,234)	(82,840)
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances - net	120,190	(39,456)
Loan received from related party	(24,238)	0
Obligations under finance leases	6,291	(28,135)
Finance cost paid	(105,743)	(231,049)
	(3,500)	(298,639)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(1,814,919)	(1,075,916)
Cash and cash equivalents - at beginning of the period	(2,098,554)	(2,794,062)
Cash and cash equivalents - at end of the period	(3,913,473)	(3,869,978)
Cash and cash equivalents comprised of:		
Bank balances	850,370	591,932
Short term running finance	(4,763,843)	(4,461,910)
	(3,913,473)	(3,869,978)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Share capital	General reserve	Unappropriated profits	Total	Surplus on revaluation of property, plant and equipment	Total
Rupees in thousand						
Balance as at September 30, 2019	286,920	327,000	1,904,085	2,608,005	3,713,454	6,321,459
Total comprehensive income for the three month period ended December 31, 2019						
Income for the period	0	0	241,843	241,843	0	241,843
Other comprehensive income / (loss) for the period	0	0	0	0	0	0
	0	0	241,843	241,843	0	241,843
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the three month - net of deferred taxation	0	0	64,290	64,290	(64,290)	0
Balance as at December 31, 2019	286,920	327,000	2,300,218	2,914,138	3,649,164	6,563,302
Balance as at September 30, 2020	286,920	327,000	2,853,561	3,467,481	4,223,043	7,690,524
Total comprehensive income for the three month period ended December 31, 2020						
Income for the period	0	0	44,482	44,482	0	44,482
Other comprehensive income / (loss) for the period	0	0	0	0	0	0
	0	0	44,482	44,482	0	44,482
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)						
- on account of incremental depreciation for the three months	0	0	73,761	73,761	(73,761)	0
- upon disposal of revalued assets	0	0	3,902	3,902	(3,902)	0
Balance as at December 31, 2020	286,920	327,000	2,975,706	3,589,626	4,145,380	7,735,006

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 9, 1988. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

2. Statement of compliance

These condensed interim financial statements for three month period ended December 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2020.

3. Significant Accounting Policies

The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2020.

4. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended September 30, 2020.

5. Property, plant and equipment

Note	Un-audited December 31, 2020	Audited September 30, 2020
	(Rupees in thousand)	
Operating fixed assets	9,369,457	9,593,270
Capital work-in-progress	652,055	299,078
	<u>10,021,512</u>	<u>9,892,348</u>

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		9,593,270	9,091,077
Add: Revaluation surplus during the period / year		0	1,026,555
Add: Additions during the period / year	5.1.1	5,905	414,111
Add: Transfers from right of use assets to owned		630	4,849
Less: Impact of adoption of IFRS - 16		0	(146,591)
Less: Disposals during the period / year		(15,887)	(4,920)
Depreciation charged for the period / year		(214,461)	(791,811)
		(230,348)	(796,731)
Net book value at the end of the period / year		<u>9,369,457</u>	<u>9,593,270</u>
5.1.1 Additions during the period / year			
Building and roads		0	51,521
Plant and machinery		0	307,042
Electric Installations		0	37,016
Office equipment		2,848	6,465
Farm equipment		0	672
Furniture and Fixtures		745	5,981
Owned vehicles		2,312	5,414
		<u>5,905</u>	<u>414,111</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		299,078	132,876
Add: Additions during the period / year	5.2.1	352,977	676,150
Less: Capitalized / adjusted during the period / year		0	(509,948)
Balance at the end of the period / year		<u>652,055</u>	<u>299,078</u>

	Un-audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
5.2.1 Additions during the period / year		
Buildings on freehold land	42,410	60,193
Plant and machinery	216,559	462,783
Electric installations	72,025	54,494
Office equipment's	0	11,157
Furniture and Fixtures	0	6,528
Vehicles - leased	21,983	55,831
Plant and machinery - leased	0	25,164
	<u>352,977</u>	<u>676,150</u>
6. Right of Use Assets		
Net book value at the beginning of the period / year	395,099	0
Add: Impact of adoption of IFRS - 16	0	379,005
Add: Additions during the period / year	13,181	109,427
Less: Transfers from right of use assets to owned	(630)	(4,849)
Less: Depreciation charge	(14,241)	(88,484)
Net book value at the end of the period / year	<u>393,409</u>	<u>395,099</u>
7. Long term investment		
Balance at beginning of the period / year	139,154	100,000
Difference in fair value and present value on initial recognition of interest free loan	0	39,154
Amortization during the period/year	(2,735)	0
Balance as at end of the period / year	<u>136,419</u>	<u>139,154</u>
8. Long term deposits and other receivables - considered good		
Long term security deposits	15,084	15,058
Loan to subsidiary company - WFL - at amortized cost	63,581	60,846
	<u>78,665</u>	<u>75,904</u>
9. Stock-in-trade		
Finished goods		
- sugar	2,646,588	278,876
- molasses	823,520	701,352
- ethanol	208,611	250,147
	<u>3,678,719</u>	<u>1,230,375</u>
Work-in-process	89,380	11,624
	<u>3,768,099</u>	<u>1,241,999</u>
10. Trade debts		
Considered good	82,220	143,049
Considered doubtful	1,945	1,945
	<u>84,165</u>	<u>144,994</u>
Less: loss allowance	(1,945)	(1,945)
	<u>82,220</u>	<u>143,049</u>

11. Loans and advances - unsecured and considered good	Un-audited December 31, 2020	Audited September 30, 2020
	(Rupees in thousand)	
Advances to:		
Employees	9,276	6,675
Suppliers and contractors	1,665,380	1,180,198
	1,674,656	1,186,873
Due from related parties	256,632	230,175
Letters of credit	32,394	235,038
	1,963,682	1,652,086
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(3,755)	(3,755)
	1,931,089	1,619,493
11.1 This represents amounts due from the following related parties:		
Due from holding company:		
The Premier Sugar Mills and Distillery Company Limited	44,195	65,947
Due from subsidiary company:		
Whole Foods (Private) Limited	212,437	164,228
	256,632	230,175
12. Trade deposits and other receivables		
Deposits	0	858
Prepayments	17,596	4,658
Export subsidy receivable	305,519	305,519
Others	1,538	63
	324,653	311,098
13. Share Capital		
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;		
	(Number of shares)	
Holding company		
Premier Sugar Mills & Distillery Co. Ltd.	13,751,000	13,751,000
Associated companies		
Azlake Enterprises (Pvt.) Ltd.	1,462,859	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	19,111,834	19,111,834
14. Long term finances - secured	(Rupees in thousand)	
Bank Al-Habib Limited	390,347	372,831
Soneri Bank Limited	924,782	700,823
The Bank of Punjab	4,508	14,100
Dubai Islamic Bank Pakistan Limited	389,972	487,466
MCB Bank Limited	234,914	249,113
Total	1,944,523	1,824,333
Accrued mark-up	31,939	42,356
	1,976,462	1,866,689

Note	Un-Audited December 31, 2020	Audited September 30, 2020
	(Rupees in thousand)	
Less: amount payable within next 12 months		
Principal	(482,494)	(462,015)
Accrued mark-up	(31,939)	(42,356)
Amount due after December 31, 2021	14.2	1,462,029
14.1	These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.	
14.2	In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under those loan agreements continue to be classified as per the repayment schedule applicable in respect of the respective loan agreements.	
15. Loans from related parties - secured		
Holding company		
The Premier Sugar Mills & Distillery Co. Ltd.	15.1	0
Associated companies		
Premier Board Mills Ltd.	15.2	65,575
Arpak International Investments Ltd.	15.3	43,750
Azlake Enterprises (Private) Ltd.	15.4	85,000
Accrued mark-up		29,005
		223,330
Less: amount payable within next 12 months		
Principal		(12,500)
Accrued mark-up		(29,005)
Amount due after December 31, 2021		181,825
15.1	The long term finance facility had been renewed on February 9, 2017. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company. These loans are secured against promissory note from the Company.	
15.2	The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.	
15.3	The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.	
15.4	The long term finance facility was obtained on July 6, 2018. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.	

	Note	Un-Audited December 31, 2020	Audited September 30, 2020
16. Lease liabilities		(Rupees in thousand)	
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		0	231,214
Additions during the period / year		32,125	89,579
Unwinding of interest on lease liabilities		11,562	55,099
Payments made during the period / year		(36,727)	(137,851)
Remeasurement of lease liabilities		(669)	(1,776)
Balance at end of the period / year		379,028	372,737
Less: current portion of long term lease liabilities		(100,817)	(93,891)
		<u>278,211</u>	<u>278,846</u>
17. Deferred liabilities			
Deferred taxation		1,334,222	1,317,231
Provision for gratuity		9,381	9,631
Deferred government grant		14,693	14,693
		<u>1,358,296</u>	<u>1,341,555</u>
18. Trade and other payables			
Creditors		1,184,756	454,970
Due to Associated Companies	18.1	78,368	88,431
Accrued expenses		115,390	120,094
Retention money		16,670	15,334
Security deposits		1,519	1,964
Advance payments from customers		90,592	39,548
Income tax deducted at source		32,288	29,902
Sales tax payable		120,088	28,834
Payable for workers welfare obligations		115,304	107,275
Payable to employees		50,010	45,512
Payable to provident fund		3,320	3,672
Others		17,635	7,320
		<u>1,825,940</u>	<u>942,856</u>
18.1 This represents amounts due to the following related parties:			
Due to Associated Companies			
Syntronics Limited		4,603	55,809
Syntron Limited		38,296	0
Azlak Enterprises (Private) Limited		35,469	32,622
		<u>78,368</u>	<u>88,431</u>
19. Short term running finance - secured			
Cash / running finance	19.1	2,513,843	418,410
Export re finance		2,250,000	1,962,000
		<u>4,763,843</u>	<u>2,380,410</u>
Accrued mark-up		59,990	39,327
		<u>4,823,833</u>	<u>2,419,737</u>
19.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.			

	Note	Un-Audited December 31, 2020	Audited September 30, 2020
20. Current maturity of non-current liabilities		(Rupees in thousand)	
Long term finances	14	514,433	504,371
Loans from related parties	15	41,505	50,998
Lease liabilities	16	100,817	93,891
		<u>656,755</u>	<u>649,260</u>
21. Contingencies and commitments			
21.1 Contingencies			
20.1.1 There has been no significant change in the status of contingencies as disclosed in note 26 to the audited financial statements of the Company for the year ended September 30, 2020.			
21.2 Commitments			
The Company has following commitments in respect of:			
- foreign letters of credit for purchase of plant and machinery		122,074	5,527
- local letter of credit for purchase of plant and machinery		44,780	229,510
- capital expenditure other than for letters of credit		4,572	12,042
		<u>171,426</u>	<u>247,079</u>
22. Gross sales		Three month period ended	
Local		1,522,378	2,077,914
Export		1,171,786	684,896
		<u>2,694,164</u>	<u>2,762,810</u>
23. Sales tax, other government levies and commissions			
Indirect taxes		225,763	321,808
Discount		1,214	1,947
		<u>226,977</u>	<u>323,755</u>

24. Segment operating results for the three month period ended December 31, 2020 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019
Rupees in thousand						
Sales						
-External Customers	1,316,869	1,874,519	1,377,295	888,291	2,694,164	2,762,810
-Inter segment	304,017	267,200	0	0	304,017	267,200
	1,620,886	2,141,719	1,377,295	888,291	2,998,181	3,030,010
Less : sales tax & others	(195,641)	(293,570)	(31,336)	(30,185)	(226,977)	(323,755)
Sales - net	1,425,245	1,848,149	1,345,959	858,106	2,771,204	2,706,255
Segment expenses:						
Cost of sales						
Cost of Sales	(1,245,378)	(1,411,425)	(764,476)	(339,591)	(2,009,854)	(1,751,016)
less: Inter segment cost	0	0	(304,017)	(267,200)	(304,017)	(267,200)
	(1,245,378)	(1,411,425)	(1,068,493)	(606,791)	(2,313,871)	(2,018,216)
Gross profit	179,867	436,724	277,466	251,315	457,333	688,039
Selling and distribution expenses	(5,298)	(5,888)	(119,325)	(126,909)	(124,623)	(132,797)
Administrative and general expenses	(115,460)	(109,651)	(32,720)	(30,517)	(148,180)	(140,168)
	(120,758)	(115,539)	(152,045)	(157,426)	(272,803)	(272,965)
Profit from operations	59,109	321,185	125,421	93,889	184,530	415,074
Other income	26,734	7,787	1,146	1,028	27,880	8,815
Other expenses	(5,355)	(17,240)	(15,032)	0	(20,387)	(17,240)
	21,379	(9,453)	(13,886)	1,028	7,493	(8,425)
Segment results	80,488	311,732	111,535	94,917	192,023	406,649
Finance cost					(118,838)	(161,612)
Profit before tax					73,185	245,037
Taxation					(28,703)	(3,194)
Profit for the period					44,482	241,843

24.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2020 (Rupees in thousand)		September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	12,235,414	5,292,468	9,314,349	2,391,359
Ethanol	6,097,020	3,476,089	5,575,611	2,982,812
Total for reportable segment	18,332,434	8,768,557	14,889,960	5,374,171
Others	0	1,828,871	0	1,825,265
Total assets / liabilities	18,332,434	10,597,428	14,889,960	7,199,436

25. Transactions with related parties

- 25.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2020: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of Premier Sugar Mills & Distillery Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 26 to the financial statements.

Three month period ended
(Rupees in thousand)
December 31, 2020 December 31, 2019

The Premier Sugar Mills and Distillery Company Limited

Purchases	0	105,920
Sales	2,596	6,000
Mark-up charged	541	6,734
Expenses paid on behalf of the Company	4,583	4,220
Expenses paid by the Company	7,430	418
Rent income	29	29
Rent expense	5,445	4,950

Syntron Limited

Purchase of store items	38,296	32,841
-------------------------	--------	--------

Azlake Enterprises (Private) Limited

Service	7,635	7,254
Expenses paid on behalf of the Company	554	449
Mark-up charged	1,857	3,197

Phipson & Company Pakistan (Private) Limited

Expenses paid on behalf of the Company	0	138
--	---	-----

Arpak International Investments Limited

Mark-up charged	956	1,645
-----------------	-----	-------

Premier Board Mills Limited

Mark-up charged	1,432	2,619
-----------------	-------	-------

Whole Foods (Private) Limited

Expenses paid by the Company	24,857	0
------------------------------	--------	---

- 25.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place.

Sr No	Company Name	Basis of Association	Aggregate % of Shareholding
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Associated Company	0.00%
3	Azlake Enterprises (Private) Limited	Associated Company	5.10%
4	Arpak International Investments Limited	Associated Company	0.00%
5	Phipson & Company Pakistan (Private) Limited	Associated Company	1.07%
6	Syntronics Limited	Associated Company	12.51%
7	The Frontier Sugar Mills & Distillery Limited	Associated Company	0.00%
8	Syntron Limited	Associated Company	0.00%
9	Whole Foods (Private) Limited	Subsidiary Company	100.00%

26. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for remuneration, including all benefits, to Chief Executive, Directors and Executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019
	(Rupees in thousand)					
Managerial remuneration	3,000	3,000	6,000	6,000	8,976	6,963
Housing and utilities	0	0	0	0	5,984	4,642
Company's contribution to provident fund	0	0	0	0	636	449
Medical	3,237	25	434	361	155	17
Other expenses	222	0	1,346	0	0	0
	<u>6,459</u>	<u>3,025</u>	<u>7,780</u>	<u>6,361</u>	<u>15,751</u>	<u>12,071</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>17</u>	<u>14</u>

26.1 In addition to above, the Chief Executive and Executives were provided with the Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Company's generated electricity, telephone and certain household items in the residential colony within the factory compound.


27. General

27.1 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison; however, no material re-arrangements / re-classifications have been made in these condensed interim financial statements.

27.2 Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

28. Date of authorisation for issue

These Condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 26, 2021.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2020**

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		Un-audited December 31, 2020	Audited September 30, 2020
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	10,567,771	10,449,980
Right-of-use assets	6	393,409	395,099
Long term security deposits		15,084	15,058
		10,976,264	10,860,137
CURRENT ASSETS			
Stores and spares		454,721	502,275
Stock-in-trade	7	3,768,099	1,241,999
Trade debts	8	112,343	143,049
Loans and advances	9	1,718,827	1,455,609
Trade deposits, prepayments and other receivables	10	382,756	339,966
Income tax refundable		302,369	298,767
Cash and bank balances		849,407	292,152
		7,588,522	4,273,817
TOTAL ASSETS		18,564,786	15,133,954
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	11	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		2,962,866	2,833,119
		3,576,786	3,447,039
Surplus on revaluation of property, plant and equipment		4,145,380	4,223,043
Shareholders' equity		7,722,166	7,670,082
NON-CURRENT LIABILITIES			
Long term finances - secured	12	1,604,029	1,515,175
Loans from related parties - secured	13	206,825	219,325
Lease liabilities	14	278,211	278,846
Deferred liabilities	15	1,385,452	1,367,510
		3,474,517	3,380,856
CURRENT LIABILITIES			
Trade and other payables	16	1,831,843	958,721
Unclaimed dividend		10,539	10,539
Short term running finance	17	4,823,833	2,419,737
Current maturity of non-current liabilities	18	701,888	694,019
Provision for taxation		0	0
		7,368,103	4,083,016
		10,842,620	7,463,872
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES		18,564,786	15,133,954

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

		Three month period ended	
Note	December 31, 2020	December 31, 2019	
----- Rupees in thousand -----			
Gross sales	20	2,724,287	2,762,810
Sales tax, other government levies and discounts	21	(226,977)	(323,755)
Sales - net		2,497,310	2,439,055
Cost of sales		(2,009,854)	(1,751,016)
Gross profit		487,456	688,039
Selling and distribution expenses		(124,623)	(132,797)
Administrative and general expenses		(166,350)	(142,748)
Other income		27,880	8,815
Other expenses		(20,387)	(17,240)
Operating profit		203,976	404,069
Finance cost		(123,189)	(161,961)
Profit before taxation		80,787	242,108
- Current		(11,718)	(29,450)
- Deferred		(16,985)	26,256
		(28,703)	(3,194)
Profit after taxation		52,084	238,914
Earnings per share-basic and diluted (Rs)		1.82	8.33

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Three month period ended	
	December 31, 2020	December 31, 2019
	----- Rupees in thousand -----	
Profit after taxation	52,084	238,914
Other comprehensive income	0	0
Total comprehensive income for the period	52,084	238,914

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Three month period ended	
	December 31, 2020	December 31, 2019
	----- Rupees in thousand -----	
Cash flow from operating activities		
Profit before taxation	80,787	242,108
Adjustments for non-cash items:		
Depreciation	241,844	200,023
Loss / (gain) on sale of operating fixed assets	15,032	(722)
Finance cost	123,189	161,961
	460,852	603,370
Changes in working capital		
Decrease / (Increase) in		
stores and spares	47,555	(54,463)
stock-in-trade	(2,526,100)	(1,432,671)
trade debts	30,706	(57,100)
loans and advances	(263,218)	(763,669)
trade deposits, prepayments and other receivables	(42,790)	(16,114)
Increase in trade and other payables	873,126	1,083,150
	(1,880,721)	(1,240,867)
	(1,419,869)	(637,497)
Income taxes paid	(15,320)	(34,550)
Gratuity paid	(250)	(288)
Net cash used in operating activities	(1,435,439)	(672,335)
Cash flow from investing activities		
Purchase of property, plant and equipment	(373,831)	(145,300)
Sale proceeds of operating fixed assets	855	3,301
Increase in Long term security deposits	(26)	0
Net cash used in investing activities	(373,002)	(141,999)
Cash flow from financing activities		
Long term finances	110,534	(20,735)
Loan received from related party	(24,238)	25,000
Obligations under finance leases	6,291	(28,135)
Finance cost paid	(110,324)	(231,296)
Net cash used in financing activities	(17,737)	(255,166)
Net Increase in cash and cash equivalents	(1,826,178)	(1,069,500)
Cash and cash equivalents - at beginning of the period	(2,088,258)	(2,769,345)
Cash and cash equivalents - at end of the period	(3,914,436)	(3,838,845)
Cash and cash equivalents comprised of:		
Bank balances	849,407	623,065
Short term running finance	(4,763,843)	(4,461,910)
	(3,914,436)	(3,838,845)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

	Share capital	General reserve	Unappropriated profits	Total	Surplus on revaluation of property, plant and equipment	Total
Rupees in thousand						
Balance as at September 30, 2019	286,920	327,000	1,985,055	2,598,975	3,713,454	6,312,429
Total comprehensive income for the three month period ended December 31, 2019						
Income for the period	0	0	52,084	52,084	0	52,084
Other comprehensive income for the period	0	0	52,084	52,084	0	52,084
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the three month - net of deferred taxation	0	0	64,290	64,290	(64,290)	0
Balance as at December 31, 2019	286,920	327,000	2,101,429	2,715,349	3,649,164	6,364,513
Balance as at September 30, 2020	286,920	327,000	2,833,119	3,447,039	4,223,043	7,670,082
Total comprehensive income for the three month period ended December 31, 2020						
Income for the period	0	0	52,084	52,084	0	52,084
Other comprehensive income for the period	0	0	52,084	52,084	0	52,084
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)						
- on account of incremental depreciation for the three months	0	0	73,761	73,761	(73,761)	0
- upon disposal of revalued assets	0	0	3,902	3,902	(3,902)	0
Balance as at December 31, 2020	286,920	327,000	2,962,866	3,576,786	4,145,380	7,722,166

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2020

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public Group, under the Companies Ordinance, 1984 (which is repealed on the promulgation of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 9, 1988. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by products. The Company is a subsidiary of Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

Whole Foods (Private) Limited (100% owned subsidiary of the Company) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on October 26, 2017. The principal activity of the subsidiary is to setup, manage, supervise and control the storage facilities for agricultural produce.

2. Statement of compliance

These condensed interim financial statements for three month period ended December 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2019.

3. Significant Accounting Policies

The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2020.

4. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2020.

5. Property, plant and equipment

Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
Operating fixed assets	9,915,715	9,629,242
Capital work-in-progress	652,056	820,738
	<u>10,567,771</u>	<u>10,449,980</u>

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		9,629,242	9,119,317
Add: Revaluation surplus during the period / year		0	1,026,555
Add: Additions during the period / year	5.1.1	529,333	422,155
Add: Transfers from right of use assets to owned		630	4,849
Less: Impact of adoption of IFRS - 16		0	(146,591)
Less: Disposals during the period / year		(15,887)	(4,920)
Depreciation charged for the period / year		(227,603)	(792,123)
		(243,490)	(797,043)
Net book value at the end of the period / year		<u>9,915,715</u>	<u>9,629,242</u>
5.1.1 Additions during the period / year			
Building and roads		185,363	51,521
Plant and machinery		337,859	307,042
Electric Installations		0	37,016
Office equipment		3,054	14,465
Farm equipment		0	672
Furniture and Fixtures		745	6,025
Owned vehicles		2,312	5,414
		<u>529,333</u>	<u>422,155</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		820,738	416,895
Add: Additions during the period / year	5.2.1	354,539	968,119
Less: Capitalized / adjusted during the period / year		(523,221)	(509,948)
Other adjustments		0	(54,328)
Balance at the end of the period / year		<u>652,056</u>	<u>820,738</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		39,318	173,605
Plant and machinery		220,973	610,143
Electric installations		72,025	54,494
Office equipment		0	11,157
Vehicles - owned			6,528
Vehicles - leased		21,983	55,831
Plant and machinery - leased		0	25,164
Advances to contractors		240	31,197
		<u>354,539</u>	<u>968,119</u>

	Un-audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
6. Right of Use Assets		
Net book value at the beginning of the period / year	395,099	0
Add: Impact of adoption of IFRS - 16	0	379,005
Add: Additions during the period / year	13,181	109,427
Less: Transfers from right of use assets to owned	(630)	(4,849)
Less: Depreciation charge	(14,241)	(88,484)
Net book value at the end of the period / year	<u>393,409</u>	<u>395,099</u>
7. Stock-in-trade		
Finished goods		
- sugar	2,646,588	278,876
- molasses	823,520	701,352
- ethanol	208,611	250,147
	<u>3,678,719</u>	<u>1,230,375</u>
Work-in-process	89,380	11,624
	<u>3,768,099</u>	<u>1,241,999</u>
8. Trade debts		
Considered good	112,343	143,049
Considered doubtful	1,945	1,945
	<u>114,288</u>	<u>144,994</u>
Provision for doubtful debts	(1,945)	(1,945)
	<u>112,343</u>	<u>143,049</u>
9. Loans and advances		
Advances to:		
Employees	9,451	7,019
Suppliers and contractors	1,665,380	1,180,198
	<u>1,674,831</u>	<u>1,187,217</u>
Due from holding company		
The Premier Sugar Mills & Distillery Co. Ltd.	44,195	65,947
Letters of credit	32,394	235,038
	<u>1,751,420</u>	<u>1,488,202</u>
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(3,755)	(3,755)
	<u>1,718,827</u>	<u>1,455,609</u>

	Un-audited December 31, 2020	Audited September 30, 2020
Note	(Rupees in thousand)	
10. Trade deposits, prepayments and other receivables		
Deposits	1,597	2,480
Prepayments	17,838	4,745
Export subsidy receivable	305,519	305,519
Sales tax	36,745	7,640
Guarantee issued	19,000	19,000
Others	2,057	582
	<u>382,756</u>	<u>339,966</u>
11. Share Capital		
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;		
	(Number of shares)	
Holding company		
Premier Sugar Mills & Distillery Co. Ltd.	13,751,000	13,751,000
Associated companies		
Aztrak Enterprises (Pvt.) Ltd.	1,462,859	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	<u>19,111,834</u>	<u>19,111,834</u>
12. Long term finances - secured		
Bank Al-Habib Limited	390,347	372,831
Soneri Bank Limited	1,132,563	918,260
The Bank of Punjab	4,508	14,100
Dubai Islamic Bank Pakistan Limited	389,972	487,466
MCB Bank Limited	234,914	249,113
Total	<u>2,152,304</u>	<u>2,041,770</u>
Accrued mark-up	35,611	46,199
	<u>2,187,915</u>	<u>2,087,969</u>
Less: amount payable within next 12 months		
Principal	(521,119)	(500,640)
Accrued mark-up	(35,611)	(46,199)
Deffered Benefit of below market rate of interest on refinance facility	(27,156)	(25,955)
Amount due after December 31, 2020	12.2 <u>1,604,029</u>	<u>1,515,175</u>

12.1	These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.		
12.2	In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under those loan agreements continue to be classified as per the repayment schedule applicable in respect of the respective loan agreements.		
13. Loans from related parties - secured			
		December 31, 2020	September 30, 2020
		(Rupees in thousand)	
Holding company			
The Premier Sugar Mills & Distillery Co. Ltd.	Note	0	24,238
Associated companies			
Premier Board Mills Ltd.	13.2	90,575	90,575
Arpak International Investments Ltd.	13.3	43,750	43,750
Aztrak Enterprises (Private) Limited	13.4	85,000	85,000
Accrued mark-up		<u>31,841</u>	<u>29,051</u>
		251,166	272,614
Less: amount payable within next 12 months			
Principal		(12,500)	(24,238)
Accrued mark-up		<u>(31,841)</u>	<u>(29,051)</u>
		<u>206,825</u>	<u>219,325</u>
13.1	The long term finance facility had been renewed on February 9, 2017. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company. These loans are secured against promissory note from the Company.		
13.2	This include long term finance facilities obtained by the Company and the Subsidiary.		
	The long term finance facility obtained by the Company had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.		
	Long term finance facility amounting to Rs 25 million was obtained during the preceding year by the Subsidiary. The principal is repayable in 8 semi annual installments commencing from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Subsidiary.		
13.3	The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.		
13.4	The long term finance facility was obtained on July 06, 2018. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.		

	Note	Un-Audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
14. Lease liabilities			
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		0	231,214
Additions during the period / year		32,125	89,579
Unwinding of interest on lease liabilities		11,562	55,099
Payments made during the period / year		(36,727)	(137,851)
Remeasurement of lease liabilities		(669)	(1,776)
Balance at end of the period / year		379,028	372,737
Less: current portion of long term lease liabilities		(100,817)	(93,891)
		<u>278,211</u>	<u>278,846</u>
15. Deferred liabilities			
Deferred taxation		1,334,222	1,317,231
Provision for gratuity		9,381	9,631
Deferred government grant		14,693	14,693
Deferred Benefit of below market rate of interest on refinance facility		27,156	25,955
		<u>1,385,452</u>	<u>1,367,510</u>
16. Trade and other payables			
Creditors		1,189,126	496,222
Due to Associated Companies	16.1	78,368	88,431
Accrued expenses		115,890	120,594
Retention money		16,670	15,334
Security deposits		1,519	1,964
Advance payments from customers		90,592	39,548
Income tax deducted at source		33,322	32,849
Sales tax payable		120,088	0
Payable for workers welfare obligations		115,304	107,275
Payable to employees		50,010	45,512
Payable to provident fund		3,320	3,672
Others		17,634	7,320
		<u>1,831,843</u>	<u>958,721</u>
16.1 This represents amounts due to the following related parties:			
Due to Associated Companies			
Syntronics Limited		4,603	55,809
Syntron Limited		38,296	0
Azlak Enterprises (Private) Limited		35,469	32,622
		<u>78,368</u>	<u>88,431</u>

	Note	Un-Audited December 31, 2020 (Rupees in thousand)	Audited September 30, 2020
17. Short term running finance			
Secured			
Cash / running finance		2,513,843	418,410
Export refinance		<u>2,250,000</u>	<u>1,962,000</u>
		4,763,843	2,380,410
Accrued mark-up		59,990	39,327
	17.1	<u>4,823,833</u>	<u>2,419,737</u>
17.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP rate + 1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.			
18. Current maturity of non-current liabilities			
Long term finances - secured	12	556,730	546,839
Loans from related parties - secured	13	44,341	53,289
Lease liabilities	14	100,817	93,891
		<u>701,888</u>	<u>694,019</u>
19. Contingencies and commitments			
19.1 Contingencies			
19.1.1 There has been no significant change in the status of contingencies as disclosed in note 24 to the audited consolidated financial statements of the Company for the year ended September 30, 2020.			
19.2 Commitments			
The Company has following commitments in respect of:			
- foreign letters of credit for purchase of plant and machinery		122,074	5,574
- local letter of credit for purchase of plant and machinery		44,780	299,510
- capital expenditure other than for letters of credit		4,572	12,042
20. Gross sales		<u>Three month period ended</u>	
Local		1,552,501	2,077,914
Export		1,171,786	684,896
		<u>2,724,287</u>	<u>2,762,810</u>
21. Sales tax, other government levies and discounts			
Indirect taxes		225,763	321,808
Discounts		1,214	1,947
		<u>226,977</u>	<u>323,755</u>

22. Segment operating results for the three month period ended December 31, 2020 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019
Rupees in thousand						
Sales						
-External Customers	1,346,992	1,874,519	1,377,295	888,291	2,724,287	2,762,810
-Intersegment	304,017	267,200	0	0	304,017	267,200
	1,651,009	2,141,719	1,377,295	888,291	3,028,304	3,030,010
Less : sales tax and others	(195,641)	(293,570)	(31,336)	(30,185)	(226,977)	(323,755)
Sales - net	1,455,368	1,848,149	1,345,959	858,106	2,801,327	2,706,255
Segment expenses:						
Cost of sales						
Cost of Sales	(1,245,378)	(1,411,425)	(764,476)	(339,591)	(2,009,854)	(1,751,016)
less: Intersegment cost	0	0	(304,017)	(267,200)	(304,017)	(267,200)
	(1,245,378)	(1,411,425)	(1,068,493)	(606,791)	(2,313,871)	(2,018,216)
Gross profit / (loss)	209,990	436,724	277,466	251,315	487,456	688,039
Selling and distribution expenses	(5,298)	(5,888)	(119,325)	(126,909)	(124,623)	(132,797)
Administrative and general expenses	(133,630)	(112,231)	(32,720)	(30,517)	(166,350)	(142,748)
	(138,928)	(118,118)	(152,045)	(157,426)	(290,973)	(275,545)
Profit / (loss) from operations	71,062	318,606	125,421	93,889	196,483	412,494
Other income	26,734	7,787	1,146	1,028	27,880	8,815
Other expenses	(5,355)	(17,240)	(15,032)	0	(20,387)	(17,240)
	21,379	(9,453)	(13,886)	1,028	7,493	(8,425)
Segment results	92,441	309,153	111,535	94,916	203,976	404,069
Finance cost					(123,189)	(161,961)
Profit before tax					80,787	242,108
Taxation					(28,703)	(3,194)
Profit for the period					52,084	238,914

22.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2020		September 30, 2020	
	(Rupees in thousand)		(Rupees in thousand)	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	12,467,766	5,485,504	9,318,606	2,395,920
Ethanol	6,097,020	3,476,089	5,571,354	3,088,321
Total for reportable segment	18,564,786	8,961,593	14,889,960	5,484,241
Others	0	1,881,027	243,994	1,979,631
Entity's total assets / liabilities	18,564,786	10,842,620	15,133,954	7,463,872

23. Transactions with related parties

23.1 The Premier Sugar Mills & Distillery Company Limited holds 47.93% (2020: 47.93%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of Premier Sugar Mills & Distillery Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 24 of these financial statements.

Three month period ended
(Rupees in thousand)
December 31,
2020
December 31,
2019

The Premier Sugar Mills and Distillery Company Limited

Purchases	0	105,920
Sales	2,596	6,000
Mark-up charged	541	6,734
Expenses paid on behalf of the Company	4,583	4,220
Expenses paid by the Company	7,430	418
Rent received	29	29
Rent paid	5,445	4,950

Syntron Limited

Purchase of store items	38,296	32,841
-------------------------	--------	--------

Aztrak Enterprises (Private) Limited

Service	7,635	7,254
Expenses paid on behalf of the Company	554	449
Mark-up charged	1,857	3,197

Phipson & Company Pakistan (Private) Limited

Expenses paid on behalf of the Company	0	138
--	---	-----

Arpak International Investments Limited

Mark-up charged	956	1645
-----------------	-----	------

Premier Board Mills Limited

Mark-up charged	1,977	2619
-----------------	-------	------

23.2 Following are the related parties with whom the Group had entered into transactions or have arrangement/ agreement in place.

Sr No	Company Name	Basis of Association	Aggregate % of Shareholding
1	The Premier Sugar Mills and Distillery Company Limited	Holding Company	47.93%
2	Premier Board Mills Limited	Associated Company	0.00%
3	Aztrak Enterprises (Private) Limited	Associated Company	5.10%
4	Arpak International Investments Limited	Associated Company	0.00%
5	Phipson & Company Pakistan (Private) Limited	Associated Company	1.07%
6	Syntronics Limited	Associated Company	12.51%
7	The Frontier Sugar Mills & Distillery Limited	Associated Company	0.00%
8	Syntron Limited	Associated Company	0.00%

24. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for remuneration, including all benefits, to Chief Executive, Directors and Executives of the Company is as follows:

	Chief Executive		Directors		Executives	
	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019	Three month period ended December 31, 2020	Three month period ended December 31, 2019
	----- (Rupees in thousand) -----					
Managerial remuneration	3,000	3,000	6,000	6,000	8,976	6,963
Housing and utilities	0	0	0	0	5,984	4,642
Company's contribution to provident	0	0	0	0	636	449
Medical	3,237	25	434	361	155	17
Other expenses	222	0	1,346	0	0	-
	<u>6,459</u>	<u>3,025</u>	<u>7,780</u>	<u>6,361</u>	<u>15,751</u>	<u>12,071</u>
Number of persons	1	1	2	2	17	14

24.1 In addition to above, the Chief Executive and Executives were provided with the Company maintained cars for official and personal use. All the Executives based at factory compounds are also provided with free housing with the Company's generated electricity, telephone and certain household items in the residential colony within the factory compound.

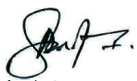
25. General

25.1 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.

25.2 Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

26. Date of authorisation for issue

These Condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 26, 2021.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER